

Foreign Trade of Hungary

Hungary had experienced an export surplus in each of the four years prior to October 1956. The uprising followed by the two-month shutdown and the problems of resuming production caused a decline in exports during the first six months of 1957 to a level 26% below the first six months of 1956. Import needs were 40% higher than in the first six months of 1956. The result was an adverse trade balance of \$133 million in that period. Import balances continued through October and then a shift to export balances took place in November and December. The end of 1957 showed a total import balance of \$167 million. A recent Hungarian estimate anticipates an increase in imports during 1958 of \$88 million with little improvement in exports.

The deficit in Hungary's trade in 1957 is found largely in its account with the USSR. Of the \$167 million debit balance, 77% or \$130 million was incurred in trade with the USSR. According to the March 1957 agreement the Soviet Union was to supply over \$250 million in goods in 1957, including \$160 million on credit. Year-end figures show \$235 million in Soviet exports of which \$130 million were unrequited. The foreign exchange loan under this agreement amounted to \$60 million. Both are repayable during 1961-71 at 2% interest. Immediate payment on a \$40 million debt outstanding was also deferred and the debt Hungary owed on the joint stock companies amounting to a billion forints was cancelled.

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	<u>1949</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
<u>Imports (million \$)</u>	288	513	534	466	665
Alloc, %	46	68	55	61	71
Major Partners					
USSR	21	29	19	23	35
Czechoslovakia	10	13	11	12	12
SRG	1	10	9	10	10
Poland	5	5	5	5	5
China	0	5	5	6	4
West	54	32	45	39	29
Underdeveloped areas		4	7	6	
<u>Exports (million \$)</u>	281	525	609	495	497
Alloc, %	52	74	66	59	60
Major Partners					
USSR	25	33	25	24	22
Czechoslovakia	10	14	13	13	15
SRG	2	9	11	8	10
Poland	4	6	5	5	4
China	0	6	6	6	6
West	48	26	34	41	40
Underdeveloped areas		7	8	8	
<u>Turnover (million \$)</u>	569	1,038	1,143	961	1,162
Alloc, %	49	71	61	63	66
USSR	23	32	22	24	29
Czechoslovakia	10	14	12	13	13
SRG	2	10	10	9	10
Poland	5	6	5	5	5
China	0	6	6	6	5
West	51	29	39	37	34
Underdeveloped areas		6	8	7	8*

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